



Bureau of TennCare Policy Manual

Revised --06/08/07

Policy No: BTC-Pol-Enc-200701-001	
Subject: NDC Submission for HCPCS	
Approval: Encounter Policy Workgroup	Date: 06/22/2007

PURPOSE OF POLICY STATEMENT: To clarify TennCare's position on the submission of encounters that must include the National Drug Code (NDC) for Physician administered drugs submitted on the CMS-1500/837P and UB04/837I format.

The Deficit Reduction Act (DRA) includes provisions regarding State collection and submission of data for the purpose of collecting Medicaid drug rebates from manufacturers for physician-administered drugs. Section 6002 of the DRA adds section 1927(a)(7) to the Social Security Act to require States to collect rebates on physician-administered drugs. Specifically, states have been instructed that "single source and Secretary-specified multiple source physician-administered drugs be submitted using National Drug Code numbers" in order for states to secure rebates for such drugs.

POLICY:

In conjunction with the Deficit Reduction Act of 2005, TennCare requires all Physician administered drugs, submitted on the CMS-1500/837P format, to be reported using NDC codes and HCFA Common Procedure Coding System (HCPCS) Codes (i.e. J codes).

Note: TennCare will implement the NDC requirement for institutional outpatient claims on the UB04/837I in the near future when placement of the NDC information has been determined by the National Uniform Billing Committee (NUBC).

Exceptions:

Vaccines for children which are paid as an administrative fee.

DEFINITIONS:

CMS – Centers for Medicare & Medicaid Services.

EDI – Electronic Data Interchange

HIPAA – Health Insurance Portability and Accountability Act.

NDC – National Drug Code

TCMIS – TennCare Management Information System

TennCare or TennCare Program – The program administered by the single state agency, as designated by the state and CMS, pursuant to Title XIX of the Social Security Act and the Section 1115 research and demonstration waiver granted to the State of Tennessee and any successor programs.

PROCEDURES:

Encounters must include the following information on the 837 for drugs administered:

Data Element	837 Loop	Companion Guide Name	837P Segment	837I Segment
Drug Ingredient Billed Amount	2400	Line Item Charge Amount	SV102	TBD
Unit of Measure	2400	Unit or Basis for Measurement	SV103	TBD
NDC Quantity	2400	Quantity	SV104	TBD
	2410	Product or Service ID Qualifier	LIN 02	TBD
NDC -11 digit level	2410	National Drug Code	LIN 03	TBD
Drug Ingredient Paid Amount	2430	Service Line Paid Amount	SVD02	TBD

REFERENCE DOCUMENTS:

Deficit Reduction Act of 2005

TennCare HIPAA EDI Companion Guides <http://www.state.tn.us/tenncare/HIPAA/EDI.htm>

OFFICES OF PRIMARY RESPONSIBILITY:

- TennCare IS Division—to ensure that encounters are submitted to TennCare in the approved format
- Information Systems Management Contractor – to process encounters through the TCMIS system
- MCCs - to follow transaction requirements